Cost Management, Benefit Design and Administration (CMBDA) Committee
9 November 2026 11.00am
Jamieson Room, 18 Smith Square, London and Microsoft Teams

Paper C: Gender pensions gap (GPG) update

Key points to note

The paper provides an update on progress on the GPG work programme. Updates are provided on the further research project, the latest working group meeting and an updated action plan.

Recommendation

That the committee notes this update and the publication of the research report produced by Investors for Purpose and jointly commissioned with Westminster City Council and Hymans Robertson. We would welcome views of committee members on the report's findings and proposed next steps. The committee are also encouraged to provide views on priorities for future activity and the updated action plan at Annex A.

Further research

The final report, Making Pensions Exciting: Closing the Diversity Pension Gap in the LGPS, has now been published. This report is a key deliverable within the committee's workplan and explores the scale of ethnicity and disability pension gaps, alongside the ways in which these characteristics intersect with gender to influence pension outcomes. The research was undertaken by Investors for Purpose, with co-sponsorship from Westminster City Council, the Board and Hymans Robertson.

The research combined quantitative analysis of pension and workforce data from Westminster City Council with qualitative insights gathered through 30 in-depth interviews with employees of Westminster City Council. This mixed-method approach enabled researchers to quantify disparities in pension outcomes while also exploring members' experiences, behaviours and perceptions of pension saving.

The committee is invited to discuss the findings of the report and consider the implications for the LGPS. In particular, the committee may wish to reflect on several key conclusions emerging from the research:

- Pension inequalities are influenced by a range of factors beyond pension

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scheme design, including pay disparities, career progression, caring responsibilities, working patterns, financial confidence and engagement with pension saving

- While there is clear evidence of ethnicity pension gaps alongside gender pension gaps, the interplay between gender and other characteristics is also important to recognise and is not straightforward
- Younger members, particularly Generation Z employees, demonstrated lower levels of pension participation and engagement, which may create future retirement adequacy challenges if not addressed
- Many members have clear aspirations for retirement but a limited understanding of how their pension works, the benefits they have accrued, or whether they are on track to achieve their desired retirement outcomes
- The research identifies a clear need for more personalised, targeted and accessible pension communications that reflect different life stages, financial circumstances and member experiences

The publication of the report provides an important evidence base to support future policy development and engagement activity. Specifically, the findings should inform discussions with MHCLG regarding the benefits in extending pension gap reporting beyond just gender and the future development of diversity-related reporting requirements within the LGPS.

Since the report was published in September 2026, the secretariat has been promoting the findings to LGPS funds, scheme employers and other key stakeholders, including through LinkedIn communications, presentations and a dedicated LGPS live webinar. The committee is invited to consider any additional channels, stakeholders or networks through which the findings could be promoted.

Subject to the committee's views, the proposed next steps are:

- To further share the research findings through stakeholder engagement and dissemination activity to raise awareness of the report findings across LGPS funds, scheme employers, membership representative bodies and other interested stakeholders
- To discuss the findings with MHCLG officials and consider how the evidence base may support ongoing discussions regarding gender pension gap reporting and the wider development of diversity-related collection of data and

reporting within the LGPS

- To explore opportunities for further collaboration with different LGPS funds, including whether similar data collection and analysis across a broader range of LGPS funds would help establish a more comprehensive understanding of diversity pension gaps across the Scheme

- To consider what further practical guidance, good practice resources or case studies could be developed, addition to what has been developed/planned by the National Communications Working Group to assist funds and employers in improving pension engagement and addressing identified inequalities.

Working group meeting

Following publication of the research, the secretariat reconvened the working group to consider the findings and discuss potential next steps. An official from MHCLG also attended to provide an update on the latest position regarding GPG reporting, opt outs and other related policy work.

Discussion points

Discussions focused on the importance of member education and engagement, improving pension communications for different member groups, increasing awareness of LGPS flexibilities such as the 50/50 section, and understanding barriers to pension participation among younger members and underrepresented groups. The group also highlighted the opportunities presented by the coming launch of the pensions dashboard and the potential value of more targeted approaches to member communications.

Members welcomed the publication of the research report and highlighted the value of combining pension fund data with workforce data to better understand pension gaps across protected characteristics. Westminster shared some of the operational practicalities of the project, including having robust data sharing agreements in place.

The group found the qualitative interviews particularly insightful, reinforcing the importance of financial education and member engagement in addressing pension inequalities. A recurring theme was the need to improve member understanding of pensions and develop more effective approaches to pension education throughout an employee's career.

Members discussed the challenges of engaging younger employees, particularly given lower levels of pension participation and changing preferences for how information is accessed and consumed.

There was broad support for more segmented and targeted communications, recognising that different member groups may require different approaches and messaging. It was also noted that currently there were no statutory guidance on creation of a Communications Strategy within the LGPS regulations 2013.

Concerns were raised about the quality and reliability of pension information sourced through emerging technologies like AI and the need to ensure members can access trusted sources of guidance. Examples were shared of initiatives that could support engagement, including employee networks, induction materials for new starters, face-to-face engagement sessions and simplified communications.

Particular challenges were highlighted in reaching employees working within schools/academies and multi-academy trusts, where engagement routes can be more complex than in other employer settings.

MHCLG update to the group

MHCLG provided an update that work on opt outs was continuing with a response to the Access and Fairness consultation expected soon and consideration being given to what could be provided for 2026/27 before future mandatory reporting. Members welcomed proposals to create consistency of reporting and highlighted the importance of understanding which groups are opting out of the scheme and why.

On GPG reporting for 2028, MHCLG advised that it continues to explore employer-level reporting, including assessing the scale of the pension savings gap and how data could be segmented to provide more meaningful analysis. Actuarial colleagues within the group emphasised the importance of early engagement on future reporting requirements to align with the 2028 valuation to provide sufficient time for system development, data collection and implementation planning.

Following the research report, MHCLG noted ongoing interest in exploring broader diversity reporting, including consideration of other protected characteristics such as age-related/diversity analysis alongside gender pension gap reporting.

Discussion also covered scheme member awareness of LGPS flexibilities, including the 50/50 section, with examples shared of members opting out unnecessarily due to a lack of understanding of available options.

Agreed working group actions

- The secretariat would engage with the Department for Education regarding LGPS communications and possibly representation within the working group
- Continue engaging through the Communications Working Group whether additional national resources or templates are required (in addition to those already produced or planned)
- Continue engagement with MHCLG on the development of pension gap and opt-out reporting requirements and share findings from the research to inform future policy development.

Best practice guide for employers

The updated *Mind the Gap* guide produced by the Pensions Equity Group provides a useful foundation and due to the working group's work is now considered more relevant to the LGPS than previous versions. However, there remains support within the working group for a tailored LGPS/public sector resource that reflects the diverse employer landscape within the Scheme and provides practical actions that employers can take to address identified gaps. The secretariat remains committed to creating a LGPS specific version of this guidance and on this work has been intentionally slowed to allow the findings from the Gender Pensions Gap research project to inform the approach and reflects the issues identified.

While initial scoping work has been undertaken, some of the wider engagement activity anticipated in the previous update has not yet progressed. In particular, the secretariat has not yet been able to undertake planned engagement with HR networks and employer representative groups to better understand what support, guidance and communications would be most valuable to employers. This engagement is expected to be an important part of developing future guidance and ensuring it addresses the underlying drivers of pension inequality, including issues such as caring responsibilities and workforce participation patterns.

The secretariat intends to revisit this work once the research findings have been fully considered and the committee is invited to provide its views on the proposed approach, including whether there are existing employer, HR or workforce networks that would be beneficial for the secretariat to engage with as this work develops.

Annex A – Gender pensions gap action plan

Action	Status
A. Explore and propose a standard GPG definition and reporting approach (including methodology) for the Local Government Pension Scheme, including both for funds and employers	Reporting proposal agreed in February 2025 (**Completed**) Board response submitted to the Access and Fairness consultation (**Completed**) To work with MHCLG and GAD on the guidance for reporting (including methodology) (**Completed)** To work with MHCLG and LGPC to scope out the work needed to develop GPG reporting for 2028 in line with the Access and Fairness consultation response (**Ongoing)**
B. Explore with the Pension Equity Group (PEG) how to adapt the 'Mind the Gap' employer best practise guide for the Public Sector	Meeting with other public sector pension schemes to be arranged (**Ongoing**) Identify appropriate networks for employer engagement (**Ongoing**) Include in the further research specification (**Completed**)

C. Work with MHCLG (as required) to conduct a more detailed review of treatment of authorised unpaid leave and produce proposals for consultation on amendment to the LGPS regulations and SCAPC's	Access and Fairness consultation launched with proposals for changes to unpaid leave (**Completed**)
D. Analyse the responses from the GPG survey to local government employers	Results issued in February 2025 (**Completed**)
E. Investigate and identify how pension member self-service portals and other communication tools can help to communicate the impact of breaks, life events and improve financial planning for women	Engagement with one software provider (Heywoods) taken place **(Ongoing)**
F. Identify the communication needed to employers on the GPG to raise awareness of the specific issues which impact the GPG within the LGPS regulations, particularly during scheme member life events.	Roundtable event with employer representatives and industry experts organised (**Completed**) Consultation response to address specific issues and ideas (**Completed**) For the Secretariat to identify the most appropriate employer forums and routes to continue to engage with LGPS employers. (**Ongoing**)
G. Further research into the pensions gap for individuals with other protected characteristics, including the intersection of these with the already established gender pensions gap.	Research underway and final report findings expected in summer 2026 (**Completed**)

H. Update the annual reports guidance to facilitate the publication of opt-out data in line with the Access and Fairness consultation response.	To be confirmed
I. Support the next steps for collection of additional opt-out data in the scheme opt out form template	To be confirmed

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